Wealth Markets and Commerce

Finance - Economics

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Even among railroad men opinions as to the best course to pursue with the railroads are widely divergent. There are those who favor the restoration of pre-war conditions without delay, while others see no hope in anything save government ownership. But in the main executives wisely take the middle course, preferring continuation of government control until remedial legislation can be secured. There is danger in hasty action, for the reason that no one can foresee the course of events during the reconstruction period that lies ahead. It seems obvious that if the carriers are to be returned to their owners it should be only after some way has been found of making the rate structure sufficiently elastic to maintain a fair margin between the wage scale and the income account. That is the biggest part of the problem—just the difference between wages and rates necessary to take care of wages, with a reasonable profit to the owners—a profit large enough to provide a fair return on the capital already invested and to attract such additional capital as may be needed to keep the transportation system up to the demands of the industrial machine. The cost of supplies and other things can safely be left to competition. But there is no competition in labor—only competition for it. And it is politically more powerful than the railroads ever were when they were in politics.

A few brokerage houses which, lacking sufficient collateral, were forced to reduce their loans below the minimum to which they were entitled, will reap some benefit from the decision of the money committee to suspend the additional margin requirements on Stock Exchange loans that were enforced last month, but there will be no more money for speculation as a result of yesterday's decision. There will merely be slightly greater utilization of the present supply. The announcement made by Governor Strong was, in fact, disappointing, inasmuch as he stated that "it is not probable that additional funds will be available for Stock Exchange loans as long as the government continues to be a borrower on the present large scale." That is to say, the stock market must for an indefinite period, perhaps six months or a year, continue to work on thin money rations, a condition which makes the development of a broad and active market practically impossible. Yet it is obvious that a free and unrestricted market would tend strongly to ease the strain of the economic readjustment through which the country is passing and might indeed help rather than harm the next government loan.

Why there is likely to be labor unrest:

In manufacturing centres throughout the country it is regrettable to have to state that work people have saved comparatively little out of the abnormally high wages they have received during the last three years. They have indulged in luxuries and extravagances to a degree never before witnessed in this or any other country. Shirt manufacturers report large sales of silk shirts at $100 a dozen wholesale. These shirts were of brilliant colors and loud patterns and were sold finally to wage earners, the most of whom never before owned such an article of apparel. Prominent manufacturers of pianos and player-pianos of the medium and cheaper grades have been able to sell all they could make, and most of them have gone into the homes of people who were called poor before the war. Those who have acquired wealth rapidly in the last four years display the same traits.—*The American Exchange National Bank.*

Money and Credit

Although quoted rates for money were unchanged in this market yesterday, bankers reported an easier undertone. At the Stock Exchange call money ruled at 6 to 6½ per cent throughout the day.

Offerings of fixed date funds were moderate, with the rate holding at 6 per cent for both classes of collateral on loans up to sixty days.

Ruling rates for money yesterday, compared with a year ago, were as follows:

	Yesterday. Per cent.	Year ago. Per cent.
Call money:		
On mixed collateral	6	3½
On industrial c'l't'l.	6½	—
Time money (mixed collateral):		
Sixty days	6	5¼@5½
Ninety days	6	5¼@5½
Four months	6	5½@5¾
Five to six months.	6	5½@5¾

Commercial Paper.—Conditions in this market were unchanged yesterday. Most of the paper offered continues to move on a 6 per cent discount basis.

London Money Market.—LONDON, Dec. 4.—Money, 3 per cent. Discount rates, short and three months' bills, 3 17-32 per cent. Gold premium at Lisbon, 90.

Bank Acceptances.—There was a fair demand for bank acceptances at the following rates:

Spot delivery:	Thirty days. Per cent.	Sixty days. Per cent.	Ninety days. Per cent.
Eligible member banks	4 3/16@4	4 3/16@4 3/16	4 3/16@4¼
Eligible non-member banks	4¼@4⅛	4⅜@4¼	4⅜@4 3/16
Ineligible bank bills	5½@5	5½@5	5½@5

For delivery within thirty days:

	Per cent.
Eligible member banks	4 3/16
Eligible non-member banks	4 3/16
Ineligible bank bills	6

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper for all periods up to ninety days:

	Maturity: Within 15 days, including member banks' collateral notes	16 to 60 days, inclusive	61 to 90 days, inclusive
Boston	4	4¾	4¾
New York	4	4¾	4¾
Philadelphia	4	4¾	4¾
Cleveland	4¼	4¾	4¾
Richmond	4¾	5	5
Atlanta	4	4¾	4¾
Chicago	4	4¾	4¾
St. Louis	4	4¾	4¾
Minneapolis	4	4¾	5
Kansas City	4½	5¼	5¼
Dallas	4	4¾	5
San Francisco	4	5	5

The Federal Reserve Bank of New York has put in force the following schedule of rediscount rates which apply to bankers' acceptances: Maturities up to 15 days, 4 per cent; 16 to 60 days, inclusive, 4¼ per cent; 61 to 90 days, inclusive, 4½ per cent.

Bank Clearings.—Bank clearings yesterday were:

	Exchanges.	Balances.
New York	$664,054,112	$67,227,388
Baltimore	14,390,998	5,726,126
Boston	52,468,619	10,512,760
Chicago	92,732,138	8,946,774
Philadelphia	71,149,347	13,975,948
Pittsburgh	22,372,097	8,121,912

Silver.—London, 48¾d, unchanged; New York, 101⅛c, unchanged; Mexican dollars, 77½c, unchanged.

Sub-Treasury. — The Sub-Treasury lost $4,154,000 to the banks on Tuesday.

The Dollar in Foreign Exchange

Apart from a firmer tone displayed by some of the neutral exchanges yesterday, dealings in the local foreign exchange market were devoid of feature. Sterling and francs were steady.

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound).	Yesterday.	Week ago.
Sterling, demand	$4.75¾	$4.72½
Sterling, sixty days	4.73¼	4.73¾
Sterling, cables	4.76 7/16	4.76 7/16
Sterling, ninety days	4.72	4.71¾
(Quoted units to the dollar).		
Francs, checks	5.45½	5.48⅝
Francs, cables	5.45	5.45
Lire, checks	6.35½	6.36
Lire, cables	6.34½	6.35
Swiss, checks	4.94½	4.95
Swiss, cables	4.92½	4.92½
(Quoted cents to the unit).		
Guilders, checks	42⅛	41⅞
Guilders, cables	42¼	42¼
*Rubles, cables	13.00	13.00
Spain, checks	19.75	19.95
Spain, cables	19.85	20.05
Sweden, checks	28.45	28.00
Sweden, cables	28.65	28.30
Denmark, checks	26.75	26.50
Denmark, cables	26.95	26.80
Norway, checks	27.65	27.30
Norway, cables	27.85	27.60
Argentina, checks	45.00	44¾
Argentina, cables	45⅛	44⅞
India, rupees, checks	35 3-5	35 3-5
India, rupees, cables	35¾	35¾
India, rupees, cables, Reserve bank rate	35.73	35.73

*Nominal.

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75¾	$4.86⅝
Francs	0.18.4	0.19.3
Guilders	0.42¼	0.40.2
Lire, checks	0.15.79	0.19.3
Crowns (Denmark)	0.26.80	0.26.8
Crowns (Sweden)	0.28.30	0.26.8

Steel Buying Heavier

But Orders Are Not Large Enough to Offset Cancellations

Although a considerable amount of buying has appeared during the last week, the real test of the ability of the iron and steel trade to cope with readjustment problems is yet to come, "The Iron Age" finds. This is owing to the fact that mills are still to a large extent engaged on war work, and cancellations have not yet been in sufficient volume to bring a shock.

Sentiment in favor of continuing government control of prices after December 31, it is pointed out, has steadily diminished, and the conference between the manufacturers' committee and the War Industries Board in Washington on December 11 promises to see the end of the chapter of price fixing. "The Iron Age" adds:

"Pig iron production again fell off in November, being 3,354,074 tons, or 111,802 tons a day, against 3,486,941 tons in October, or 112,482 tons a day. A good deal is heard of pig iron negotiations for export, but little has been done as yet."

Regarding the expected removal of price limitations, "The Iron Trade Review" understands that this matter rests in the hands of the steel industry itself, and adds: "During the last few days the conviction has crystallized that the transformation of the industry from an abnormal war to a normal peace-time basis can be best effected by a return to open market conditions."

News Digest

Foreign

Paris Bourse.—PARIS, Dec. 4.—Trading was quiet on the Bourse to-day. Three per cent rentes, 62 francs 90 centimes for cash. Exchange on London, 25 francs 98 centimes. Five per cent loan, 87 francs 95 centimes.

Big Locomotive Orders

Contracts Aggregating $40,000,000 Are Awarded

WASHINGTON, Dec. 4.—Contracts for the construction of 500 standard locomotives were awarded to-day by the railroad administration to the American Locomotive Company. Director General McAdoo said this order is in addition to one for 100 Mikado standard locomotives recently placed with the Lima Locomotive Works Lima, Ohio. The two orders involve the expenditure of approximately $40,000,000.

The contracts provide a profit to the builders of 6 per cent of the cost and protect the government against any increase of the stipulated prices on account of wages or overhead expenses. The cost of the principal materials will be regulated by the government through the price fixing committee.

Rail Executives Demand Return of Roads to Owners

Say Private Control Under Reasonable Regulation Is the Best Solution of the Railroad Problem

Asserting that government ownership of the transportation machine is not conducive to the highest economic efficiency of the country, corporate heads of railroads, representing over 90 per cent of the nation's total mileage, after an all-day session in the rooms of the Chamber of Commerce yesterday, declared themselves in favor of returning the carriers to their owners under a system of "reasonable, responsible and adequate government regulation."

The majority sentiment of the meeting, which was held under the auspices of the railway executives advisory committee, took the form of resolutions, which said:

1. That private initiative, enterprise and responsibility in the creation, extension, improvement and operation of the American railways should, as a matter of national policy, be fostered and preserved, and that government ownership and operation of these facilities is not conducive to the highest economic efficiency of the country.

2. That the principle of reasonable, responsible and adequate governmental regulation of these facilities is recognized and accepted, but such regulation should provide for encouragement, protection and upbuilding of the railways as well as for the correction and check of any abuses.

3. That in view of the termination of the war emergency, which caused the taking over of the railroads and their operation by the Federal government, the remaining period of Federal control should be characterized by a policy of restoration of the intergrity of individual properties and of preparation for their return to their respective owners in the highest possible state of efficiency to serve the country.

4. That a system of governmental regulation or control, to be applicable when the properties are returned, should be provided by Congress, which, while safeguarding the public, will provide uniformity of regulation in essential matters, insure a business treatment of the vast interests involved, attract adequate capital and assure the commercial manufacturing and agricultural interests of the country of transportation facilities, which shall keep pace with their growing necessities and deal equitably with questions affecting wages and working conditions of railroad employes.

5. That the standing committee, with the advice and assistance of the law committee, be requested to consider and report back to an adjourned meeting of member roads proposals to accomplish the foregoing results and plans and methods to be favored in connection with the return of the railroad properties to their respective owners.

6. That in their consideration of the subject the committee invite the coöperation and assistance of advisers fairly representative of the best and soundest thought and experience of the country.

7. That assurance be given to the Director General of Railroads and his associates of our earnest desire to coöperate with them in the performance of their important and difficult trust and in the adoption of plans for the return of these properties to private management and operation, which plans shall be just alike to the public, to the owners of the properties and to the employes engaged thereon.

"To work out the plans and legislation required by these resolutions will take much time and conference," said T. De Witt Cuyler, chairman of the railway executive advisory committee, who also acted as chairman of yesterday's meeting. "There will, of course, be future meetings like that of to-day. At this time, however, it is impossible to announce the date of the next meeting."

Welcome Adequate Regulation

In a statement outlining the general purposes of the gathering of railroad men he said it was called to discuss the problems growing out of the readjustment of the roads to a peace basis. There was a frank exchange of views, he added, on the measures which would have to be taken by the companies and the government to meet the present problems and to provide for the future development of the different systems.

Erb Dissents

The only dissenting opinion to the resolutions adopted was expressed by Newman Erb, president of the Ann Arbor Railroad, who declared that he preferred that his properties be taken over permanently by the government unless they were returned in as good condition as before the United States entered the war.

The personnel of the committee, which has committed itself to prepare a plan providing for the return of the carriers to private ownership and operation, is the same as the present railway executives advisory committee, whose membership has been enlarged to include Charles Hayden, of the Chicago, Rock Island & Pacific Railroad; S. M. Felton, president of the Chicago, Great Western; William Church Osborn, general counsel for the El Paso & Southwestern and the Texas Pacific; Henry Ruhlender, chairman of the St. Louis & San Francisco; L. E. Johnson, president of the Norfolk & Western; E. E. Loomis, president of the Lehigh Valley; W. R. Cole, president of the Nashville, Chattanooga & St. Louis, and Bird M. Robinson, president of the American Short Line Association. It was stated that the appointment of Mr. Robinson signified that there would be coöperation between the short line railroads and the trunk lines in the efforts to devise a plan for the return to private ownership.

In summing up the accomplishments of the Railway Executives Advisory Committee in its negotiations with the Railroad Administration over questions relating to proper allowances for purchase of new equipment under war conditions, depreciation of old equipment bought before the war, retirement of equipment and salvage items, A. P. Thom, counsel for the committee, stated that the roads had been allowed approximately $175,000,000 in the way of concessions. Mr. Thom said that he expected the majority of government contracts would be signed by the time William G. McAdoo had relinquished his duties as Director General of Railroads.

U. S. to Spend 27 Billions in The Next Year

McAdoo's Final Annual Report Says War Cost 13 Billions in 15 Months

Big Saving Is Expected

Revisions Due to Peace Are Sure to Reduce the Sum to Be Needed in 1920

WASHINGTON, Dec. 4.—The financial history of America's part in the war is set forth by Secretary McAdoo in his annual report, drafted before his resignation and madt public today by the Treasury. It is the history of how the American people paid billions in taxes, raised four great Liberty loans and created a tremendous pool of credit, with which the Treasury, through its many war agencies, paid the bills of the army and navy, the Shipping Board and the other government departments, loaned billions to the Allies and millions to war industries, helped support the families of soldiers and sailors and tided farmers over periods of financial stringency.

"The payment into the Treasury of vast sums in war taxes and from bond sales," said Secretary McAdoo, "and the transformation of our varied and complex economic life to the supreme task of winning the war have been accomplished without shock or financial disturbance. The credit and business structure of the nation remains sound and strong. The results of the four Liberty loans are a tribute to the patriotism of the American people and to the economic strength of the nation."

McAdoo's Final Report

The report constitutes Secretary McAdoo's final accounting of his stewardship before retiring as the nation's finance minister. Throughout the report Mr. McAdoo refers repeatedly to the remarkable achievements of America's civilian population in providing th money and materials for war and acting as the "eager second line of defence."

Commenting on the showing of financial arrangements in great detail by the document, Treasury librarians recalled that the financial history of the Civil War is buried in a great stack of musty ledgers, and probably never will be officially compiled.

For the fifteen months ending last June 30 Secretary McAdoo estimated that th eactual cost of the war, with allowances for the government's ordinary expenses in ordinary times, amounted to $13,222,000,000. Nearly half of this, or $6,499,000,000, went into permanent investments in the form of ships, shipyards, war vessels, army camps, buildings, and in loans to Allies or to American war industries. Of the year's expenses 31.6 per cent came from taxation.

The civil establishment of the government during the year spent $1,507,000,000, while the War Department spent $5,684,000,000 and the navy $1,368,000,000. For support of the army alone the government paid out $4,412,000,000. The naval expenditures included the construction of new vessels, machinery, armament, equipment and improvements at navy yards. Total ordinary disbursements for the year amounted to $8,966,000,000, and ordinary receipts, excluding money received from Liberty loans, amounted to $4,174,000,000. Loans to Allies during the year amounted to $4,739,000,000 additional.

Hard to Forecast Expenditures

Looking forward, Secretary McAdoo found great difficulty in forecasting expenditures for the current fiscal year, which ends next June 30, on account of the sudden coming of peace. Estimates which he presented are based on calculations of each department in advance of revisions since the signing of the armistice and he does not consider them reliable. With this explanation Mr. McAdoo forecast expenditures for this year at $20,687,000,000 for government purposes and $4,375,000,000 for loans to Allies, and $2,540,000,000 for redemption of outstanding certificates and other debt cancellation. Total estimated disbursements for the year were put at $27,718,000,000.

Against this estimate, which actual expenses at the rate of a little more that a billion and a half dollars a month to date indicate is too high, Mr. McAdoo calculated that the government will receive about $5,000,000,000 before the end of the fiscal year next June 30 from income and profits taxes, $1,100,000,000 from other taxes, $190,000,000 from customs and $555,000,000 from miscellaneous sources, including $70,000,000 from increased postage, making estimated receipts from ordinary sources $6,846,000,000. In addition he figured roughly on a little more than $5,000,000,000 from further issues of Liberty bonds and $1,200,000,000 from war savings. These figures added to receipts from Liberty Loan bonds already sold make $14,168,000,000 the total of popular borrowings expected during the year. On this basis total estimated receipts would be $21,022,000,000, or $6,695,000,000 less than tentative estimates of disbursements. Actual developments are expected to change these calculations greatly.

The United States public debt last June was $12,396,000,000, without taking into consideration the $1,319,000,000 free balance in the Treasury to partially offset the debt. The public debt has been increased since then by the fourth Liberty Loan of nearly $7,000,000,000 and by Treasury certificates of indebtedness, amounting to several hundred million dollars.

The report disclosed for the first time the activities of the Treasury's sinking fund to buy up Liberty bonds in an effort to keep their price from falling far below par. Up to November 1, it is shown, $244,036,500 worth of bonds, face value, had been purchased on the open market for $234,310,000, or at an average price of about 96 per cent, and subsequently held by the Treasury. Of this sum, $172,445,000 were second Liberty loan bonds, of both 4 and 4¼ per cent issues; $70,935,000 were third Liberty loan bonds, and $65,000,000 were first Liberty loan converted bonds.

The report also showed that the War Finance Corporation up to October 31 had made loans amounting to $67,716,000, of which $29,862,000 had been repaid, leaving advances outstanding of $37,852,000. Most of the loans, or $64,739,000, went directly to war industries. Public utilities were the principal borrowers, while lumber companies, coal operators, manufacturers and stock raisers rank next in number of applications.

The magnitude of the work of the Capital Issues Committee was indicated by the report that since its organization last May 17 it has examined nearly 2,000 applications from prospective issuers of securities, aggregating about $2,350,000,000.

"About 20 per cent of these applications were disapproved," said the report, "and these were mostly of a character involving new extensions which would not be contributory to the winning of the war. The prevention of approximately $450,000,000 of unnecessary issues which could be postponed was an important contribution to the conservation of the nation's resources."

Mr. McAdoo took the occasion to emphasize again the importance of hastening enactment of the revenue bill now pending in Congress.

Revenue Bill Passage Urged

"Unless the measure becomes a law in the near future," he said, "it will not be physically possible for the Treasury to frame the necessary regulations and to print and distribute the necessary forms before the returns and taxes will be due. The enforcement of the law will necessarily be imperilled.

"The wisdom of such action is emphasized by every sound economic consideration and wise tax policy. It is desirable and necessary from the viewpoint of the Treasury in condensing the period of readjustment and from the viewpoint of labor and industry generally."

Mr. McAdoo reviewed the financial practices of the year, including the floating of short-term certificates of indebtedness in advance of every Liberty Loan to prevent the disturbing of the money market by the loans and to obtain the money needed by the Treasury in advance of loan receipts. He said the war savings movement had resulted not only in gathering in $834,000,000 for war purposes up to November 1, but it had helped to teach the American people thrift and economy.

"This war-time experiment has been so successful," he commented, "that it is hoped war savings certificates will become a continuing feature of the nation's financing even after the restoration of peace."

The report explained at length that a feature of the Treasury's policy in distributing the $8,171,000,000 credits to Allies during the year had been to stabilize foreign exchange rates and bring the dollar nearer par in European countries, but did not mention the specific acts undertaken by the Treasury to accomplish this. In exchange for credits France gave the United States credit in France of $631,275,000 for army purchases. Great Britain established similar credits of $115,633,000 and Italy $5,284,000.

The report discloses that Liberty Loan conversions have been made as follows: First Liberty Loan 3½ per cent bonds exchanged for 4 per cent bonds, $568,320,000; first Liberty Loan 3½s and 4s exchanged for 4¼s, $183,899,000; second Liberty Loan 4s exchanged for 4¼s, $1,541,661,000. This indicates that most bond buyers have failed to take advantage of the Treasury's offer to conv rt past issues into bonds bearing a higher rate of interest. It is now too late to convert.

Wall Street Items

The National Park Bank of New York has organized a foreign trade department in connection with its foreign department and H. R. Jolles has been appointed manager.

H. Rein, formerly connected with P. M. Snecker & Co., has become associated with Alfred R. Risse as head of the bond department.

Harris, Forbes & Co. are offering at 89½ and interest, netting about 5 4-5 per cent, $2,847,000 Utah Power and Light Company first mortgage 5 per cent gold bonds dated February 2, 1914, due February 1, 1944 and secured by first mortgage on the company's property in Utah and Idaho and through the deposit of securities by first lien on property in Colorado.

Margin on Stock Loans Reduced by Money Committee

But Strong Warns Brokers That No Increase in the Supply of Money for Speculation Is Probable

Responding to a suggestion from H. G. S. Noble, president of the New York Stock Exchange, the bankers' money committee yesterday announced that the margin requirement on loans for stock exchange purposes would be forthwith reduced from 30 to 20 per cent, thus restoring the basis in force prior to November. This action was decided upon at a prolonged session of the committee held Tuesday afternoon.

A letter from Benjamin Strong, chairman of the money committee, to Mr. Noble revealed the decision. The text follows:

There has been no change in the situation to justify an increase in the total of the Stock Exchange loan account, and it is not probable that additional loans will be available for Stock Exchange loans so long as the government continues to be a borrower on the present large scale. Nevertheless, as your letter states that the exchange is amply able to control the situation without continuing the requirement by the lending banks of additional margin, as outlined in the committee's letter of October 24, 1918, the committee has decided to accede to the request contained in your letter of November 30 and will at once communicate with the associated banks in this city to that effect.

In the event of developments necessitating such action the committee will request the associated banks to exact requirements for additional margin.

Requirement Worked Hardship

The letter sent by Mr. Noble to Mr. Strong, under date of November 30, and submitted to the money committee, suggesting a restoration of the old margin basis, follows:

The importance of keeping the volume of loans upon securities from increasing at the present time is thoroughly understood and appreciated by the financial community. It would seem, therefore, that the money committee's requirement of a margin of from 30 to 37½ per cent on Stock Exchange loans has ceased to be necessary.

This requirement works many hardships and produces serious injustices, and, believing as they do that the influence of the banks and of the exchange is amply able to control the situation without it, the Stock Exchange committee, of which I am chairman, would urge that the money committee consider the advisability of having this additional margin requirement withdrawn.

The decision of the money committee was not expected in Wall Street. In fact, it was reported last week that such a step would probably be taken, in view of changed conditions. This is the second step taken inside of a week toward removing restrictions upon the money market, the committee last week having made it possible for houses engaged in the business of distributing bonds and notes to increase their loan accounts.

Will Aid Some Houses

Brokers pointed out yesterday that the restoration of the old margin basis on loans, while a step toward further relaxation of the artifical control of the market, would in no way increase the amount of money that would be made available for stock purposes. The amount that will be available will still be limited by the old restrictions.

The only difference will be that houses borrowing from the banks will be required to maintain a margin between the amount of the collateral and the amount of the loan of 10 per cent less. This it was asserted, would probably help some houses with insufficient collateral to meet the requirements put into effect on November 4. Otherwise it was considered as being important only because it indicated a disposition on the part of the bankers to let down the bars.

A most vital point in Mr. Strong's letter, according to the opinion of the Street, was his assertion that it is not probable that additional funds will be available for stock market loans so long as the government continues to be a borrower on the present large scale. In some quarters it had been intimated that all restrictions upon the Stock Exchange money supply would be removed before the end of the year.

Relevant Comment

Opposes "Regional Regrouping"

Julius Krutschnitt, president and chairman of the Southern Pacific, in a statement yesterday said he was opposed to President Wilson's announced policy regarding the railroads, particularly with reference to the "regional grouping" idea. He said in part: "My objection to the regional plan as I understand it is that it would start with a forced alienation of the properties at what would no doubt be a sacrifice of values, and would result in a practical destruction of all competition. For what purpose? Apparently for the purpose of securing the benefits of unified control and the efficiency of Federal operation."

No Change in Utah Dividends?

A statement attributed to a director of the Utah Copper Company yesterday was to the effect that no change in the dividend rate is contemplated in the near future. This, it was said, also applied to Nevada Consolidated, but with respect to the other porhpyries the situation was said to be less favorable. When directors meet to-morrow it was hinted that a reduction in the quarterly disbursement of Ray Consolidated may be ordered. A compilation of the earnings of these companies showed that all except Nevada earned their present dividend requirements during the nine months ended September 30. That company's costs mounted to 20.70 cents a pound in the third quarter, the highest in the history of the mine.

To Settle Oil Tax Dispute

LIMA, Peru, Dec. 4.—The Peruvian Congress virtually has agreed that the long-standing taxation controversy between the Peruvian government and the International Petroleum Company be sent to an arbitration board for settlement. The board would be appointed by Peru and Great Britain. Forty-one thousand claims are involved.